

Loan Modification Agreement

Lender

The Hardin County Bank
235 Wayne Road
P.O. Box 940
Savannah, TN 38372

Borrower

ELLIOTT B FRANKS
SARAH N FRANKS
9495 HIGHWAY 128
Savannah, TN 38372

Original Loan

Date: June 1, 2018
Credit Limit/Amount: \$141,348.99
Current Balance: \$182,311.29
Maturity Date: May 28, 2020
Loan Number: [REDACTED]

Modified Loan

Date: May 28, 2020
Credit Limit/Amount: \$182,311.29
Maturity Date: May 28, 2021

Definitions.

- (A) **Agreement.** "Agreement" means this loan modification agreement and any attached exhibits and schedules, and their amendments.
- (B) **Pronouns.** "I", "me" and "my" refer to any person named above as a Borrower or Cosigner. "You" and "your" refer to the Lender named above, and anyone to whom Lender assigns the Loan, and any successor to the Lender.
- (C) **Amendment Documents.** "Amendment Documents" means this Agreement and the other documents signed in connection with this Agreement to amend the Loan.
- (D) **Loan.** "Loan" means the loan made under the Loan Documents, and all extensions, amendments, substitutions, renewals and modifications. The Loan is being amended by the Amendment Documents.
- (E) **Loan Documents.** "Loan Documents" means the Note and all security instruments, security agreements, other collateral documents, guaranties and other documents executed in connection with the Note, and all amendments and modifications.
- (F) **Note.** "Note" or "note" means the note or credit agreement dated June 1, 2018, signed by me, in the original amount or credit limit of \$141,348.99, and all amendments, renewals, and modifications. The Note is being amended by this Agreement.
- (G) **Post-Maturity Rate section.** "Post-Maturity Rate section" means any provision in the Note that provides for a different interest rate upon maturity, default, or demand for payment of the Loan.

Original Loan. You and I have entered into the Loan. The date, amount/credit limit, current balance, and maturity date of the Loan are stated above.

This is the collateral (property) that secures the Loan:

The land and buildings, if any, located at 190 CARPENTER LN, SAVANNAH, Tennessee 38372-6509

For certain benefits you and I have received, you and I agree to amend the terms of the Loan by amending the Note as provided for in this Agreement and by making the other changes, if any, described below.

Amended Note Terms. The Note is amended as follows. These changes take effect on May 28, 2020.

Payments. I agree to pay this note as follows:

- ☐ **Demand.** I agree to pay this note on demand. Upon your demand the entire unpaid balance of principal and accrued interest, along with any earned, and unpaid fee or charges, and the amount of any advances made on my behalf, will be due and owing whether or not I am in default under this note.
- ☒ **Single Payment.** I agree to pay all principal and accrued interest on this note on or before May 28, 2021.

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☐ **Interest Payments.** I agree to pay accrued interest on this note in _____ payments on _____ and the same day of each _____ until _____. On that date, I agree to pay in full the principal balance and all accrued interest on this note.

☐ **Principal and Interest Payments.** I agree to pay this note in _____ payments. A payment of \$_____ will be due on _____ and on the same day of each _____ until _____. On that date, I agree to pay in full the principal balance and all accrued interest on this note. See the *Effect of Increase or Decrease in Interest Rate* section regarding possible changes in the payment schedule if the interest rate changes.

☐ **Two Phase Loan.** I agree to pay accrued interest on this note in _____ payments on _____ and the same day of each _____ until _____. I agree to then make _____ payments of principal and interest on that date and on the same date of each _____ thereafter until _____. Those payments will be in an amount sufficient to pay in full the note balance outstanding on _____. On _____, I agree to pay in full the principal balance and all accrued interest on this note. See the *Effect of Increase or Decrease in Interest Rate* section regarding possible changes in the payment schedule if the interest rate changes.

☒ **Separate Balloon Disclosure.** ☒ A final balloon payment of \$192,320.18, together with accrued interest, if any, will be due May 28, 2021. The actual amount of my final payment will depend on my payment record, subject to any rate changes provided in the *Amended Note Terms* section or section.

☐ A final balloon payment of up to \$_____, together with accrued interest, if any, will be due _____. The final amount of my balloon payment will depend on my payment record and the amount advanced, subject to any rate changes provided in the *Amended Note Terms* section or section.

☐ **Demand Feature.** In addition I agree to pay this note on demand. Upon your demand the entire unpaid balance of principal and accrued interest, along with any earned, and unpaid fee or charges, and the amount of any advances made on my behalf, will be due and owing whether or not I am in default under this note.

☐ **Skip Payments.** Notwithstanding anything to the contrary contained in this note, no payments of _____ will be due and payable in _____ of any year during the term of this note.

☐ **Negative Amortization.** If the amount of a scheduled payment does not equal or exceed interest accrued during the payment period the unpaid portion will be added to, and will be payable with, the next scheduled payment.

Rounding and Other Information. Payments will be rounded to the nearest \$.01. With the final payment I also agree to pay any additional fees or charges owing and the amount of any advances you have made to others on my behalf. Payments scheduled to be paid on the 29th, 30th or 31st day of a month that contains no such day will, instead, be made on the last day of such month.

Application of Payments. Except as otherwise provided in this note, each payment I make on this note will be applied first to escrow that is due, then to interest that is due, then to principal that is due, then to any charges that I owe other than principal and interest, then to late charges that are due, and finally to credit insurance premiums that are due. No late charge will be assessed on any payment when the only delinquency is due to late fees assessed on earlier payments and the payment is otherwise a full payment. In addition to the change in payments or payment amounts called for in the *Effect of Increase or Decrease in Interest Rate* section in the event of a change in a variable interest rate, the actual amount of my final payment will also depend on my payment record.

Prepayment. I may prepay this note in whole, or in part, at any time, without penalty. If I prepay in part, I must still make each later payment in the original amount as it becomes due until this note is paid in full.

Interest. I agree to pay interest on the outstanding principal balance from May 28, 2020 at the rate of 5.490% per year until paid in full, subject to any rate changes provided in the *Variable Rate* section or *Post-Maturity Rate* section.

Interest accrues on the principal remaining unpaid from time to time, until paid in full. If you give my loan money in more than one advance, each advance will start to earn interest only when I receive it. The interest rate(s) and other charges on this note will never exceed the highest rate or charge allowed by law for this note. If you collect more interest than the law and this note allow, you agree to refund it to me. If you send any erroneous notice of interest, you agree to correct it.

Variable Rate. ☐ This rate may change as stated below. I will pay interest at the rates in effect from time to time.

Change Dates. Each date on which the interest rate may change is called a "Change Date". The interest rate may change _____ and every _____ thereafter.

The Index. Beginning with the first Change Date, the interest rate will be based on the following index: _____. The most recent Index value available as of the date _____ before each Change Date is called the "Current Index".

The index you select will function only as a tool for setting the rate on this note. You do not guarantee, by selecting any index, that the interest rate on this note will have a particular relationship to the interest rate you charge on any other loans or any type or class of loans with your other customers.

If the index ceases to exist, I agree that you may substitute a similar index for the original. You will follow any applicable laws regarding that substitution. You will give me notice of your choice.

Calculation of Change. Before each Change Date, you will calculate the new interest rate, which will be _____ the Current Index. The result of this calculation will be limited as provided in the *Limitations* section. The new interest rate will become effective on the Change Date and will remain in effect until the next Change Date. If there are no further Change Dates, then the new interest rate will remain in effect until changed according to the section. If there is no change under that section, then the new interest rate will remain in effect until the note is paid in full.

Limitations. The following limitations (if any) apply.

- ☐ The interest rate cannot change more than _____ each year.
- ☐ The interest rate cannot increase more than _____ each year.
- ☐ The interest rate cannot decrease more than _____ each year.
- ☐ The annual interest rate cannot be greater than _____.
- ☐ The annual interest rate cannot be less than _____.

Effect of Increase or Decrease in Interest Rate. A change in the Interest Rate will have the following effect on the payments:

The _____ will change.

Property Insurance. ☒ I may obtain property insurance from anyone I want that is acceptable to you. If I get the insurance from or through you I will pay _____ for _____ of coverage.

Creditor-Placed Insurance Notice

☒ *I am giving you a security interest in the Property securing this note. I am required to maintain insurance on the Property to protect your interest until all debts secured by that Property are paid. If I fail to provide evidence of insurance on the Property to you, you may place insurance on the Property and I will be responsible to pay for the costs of that creditor-placed insurance.*

Insurance.

Private Mortgage Insurance. ☐ I may obtain private mortgage insurance as described in other documents I sign for the Loan. Private mortgage insurance is not required to obtain credit and you will not provide the insurance unless I separately sign and agree to pay the additional cost.

Flood Insurance.

☐ I will insure the real property securing the loan against hazards caused by flooding as described by other documents I sign for the loan. If I get the insurance from or through you I will pay _____ for _____ of coverage.

☒ Flood insurance is not required at this time. It may be required in the future should the Property be included in a updated flood plain map. If required in the future, I may obtain flood insurance from anyone I want that is reasonably acceptable to you.

Continuation of Terms. I agree that all the terms of the Loan Documents continue unless they are expressly and explicitly amended by this Agreement or any Amendment Document. As an example, an amendment of the interest rate during the normal term of the Loan would not modify the default or post-maturity rate of interest even though both of those terms are described in the Note in a common section titled "Interest".

Not a Refinancing. This Agreement modifies the Note and the Loan. It is not a new loan. It is not a payoff, replacement, substitution or refinancing of the Loan or the Note.

Waiver. Unless prohibited by law, I waive all existing claims, defenses, setoffs, or counterclaims relating to the Loan, or any existing Loan Documents. Any Borrower or Cosigner on the Note that does not sign this Modification, shall remain liable under the existing terms of the Note unless released in writing by you.

Reason(s) for Modification. TERM NOTE RENEWAL OF LOAN # [REDACTED]

Signatures

I understand that terms following a ☐ apply only if checked. By signing, I agree to the terms contained in this Agreement. I also acknowledge receipt of a copy of this Agreement on today's date.

Borrower

Elliott B Franks 5/28/20 Sarah N Franks 5/28/20
ELLIOTT B FRANKS Date SARAH N FRANKS Date

Lender

The Hardin County Bank
a/an Tennessee Financial Institution

[Signature] 5/28/20
Date

Loan Origination Organization: The Hardin County Bank
NMLS ID: 402176

Loan Originator: David Vaughn
NMLS ID: 412979